

## Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL NAHA

AMEMBASSY MOSCOW

INFO CINCPAC HONOLULU

COGARD

GOVGUAM

TREASURY

XMT AMEMBASSY RANGOON

UNCLAS STATE 038961

E.O. 11652:N/A

TAGS: PFOR, XC, US

SUBJECT: FEBRUARY 18 EA PRESS SUMMARY

### 1. CHINA

PRES FORD, QUESTIONED IN TUESDAY NIGHT NATIONALLY-TELEVISED NEWS CONFERENCE ABOUT NIXON REVISIT PRC, STRESSED NIXON GOING AS PRIVATE CITIZEN, NO FOREIGN POLICY IMPLICATIONS IN TRIP. RE DEM PARTY CHAIRMAN STRAUSS PROPOSAL THAT PRES TRY PREVENT NIXON GOING, FORD SAID HE HAS 'NO SUCH PLANS.'" DECLARED NOT YET DECIDED WHETHER CHINESE AIRCRAFT WILL BE ALLOWED LAND AT US MIL BASE TO PICK UP NIXON (SUN, NYT).

NYT'S BUTTERFIELD (IN HK) REPORTS JENMIN JIH PAO ARTICLE UNCLASSIFIED

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TUESDAY CONTAINING SOME OF SHARPEST ATTACKS YET ON ALLEGED RIGHTISTS, AND SUGGESTING MAO MAY NOT HAVE AGREED WITH LAST YEAR'S ECON PROGRAM FROM TIME CHOU EN-LAI ENUNCIATED IT AT NPC. BUTTERFIELD OBSERVES CURRENT

ATTACKS DO BEAR SOME UNMISTAKABLE TRACES OF CHAIRMAN'S  
PENCHANT FOR REVOLUTIONARY STRUGGLE, BUT SAYS HAK ANALYSTS  
UNSURE WHETHER MAO CAN SUMMON ENOUGH ENERGY TO LAUNCH  
PRC ON ANOTHER DRAMATIC CAMPAIGN.

AFP'S FLIPO/BIANNIC, IN PEKING, SAY PEOPLE'S DAILY'S  
ACKNOWLEDGEMENT TUESDAY OF SPLIT IN CCP CENTRAL  
COMMITTEE OVER CURRENT POLITICAL CRISIS IS ILLUSTRATION  
HOW SERIOUS SITUATION IN PRC HAS BECOME, AND TENDS  
CONFIRM REPORTS THAT CURRENT CRISIS BEGAN WITH PREMATURE  
ADJOURNMENT CENTRAL COMMITTEE PLENARY SESSION WHICH  
MET AT END OF JAN (WP).

GLOBE (2/15) CARRIES UPI PHOTO OF GEN CHEN HSI-LIEN WHO  
HAS BEEN NAMED PRC'S ACTING DEFENSE MINISTER, REPLACING  
AILING YEH CHIEN-YING, ACCORDING SOURCES.

## 2. INDOCHINA/THAILAND

LAT'S MCARTHUR (2/14) AT 0ANGKOK QUOTES REFUGEE REPORT  
THAT DR. PHAN HUY QUAT, PM DURING EARLY DAYS US MIL  
INVOLVEMENT, WAS KILLED WHILE IN EFFORT ESCAPE SVN.  
SAYS DOS HAS NO REPORTS QUAT'S DEATH. FORMER PM  
REMAINED BEHIND WHEN US DEPARTED BECAUSE IMPOSSIBLE  
FOR HIM GET ENTIRE FAMILY OUT. REPORTEDLY DIED IN JUNE  
WITH WIFE IN SMALL FISHING PORT ON S CHINA SEA.

NHAN DAN WARNS "REACTIONARIES; STILL INDULGE IN  
SECRET ACTIVITIES AGAINST NEW GOVT IN SVN. SVN SECURITY  
FORCES ARREST "RING OF TRAITORS" ALLEGEDLY OPERATING  
UNDER "RELIGIOUS LABEL" AT VILLAGE NORTH OF SAIGON  
(REUTER SAIGON).

SVN GOVT PLANS BUILD MANUFACTURING PLANT AT FORMER US  
LONG BINH BASE, USING WAR SCRAP AS RAW MATERIAL.  
SALVAGE COMPANY RAISES SUNKEN VESSELS TO USE MATERIAL,  
ALSO COLLECTS EQUIPMENT, AMMO "HIDDEN; BY AMERICANS,  
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SVN FORCES BEFORE COMMUNIST TAKEOVER (REUTER, WP).

PM KAYSONE SAYS WILL HEAD LAOTIAN DELEGATION TO FORTHCOMING  
25TH CONGRESS SOVIET CP IN MOSCOW. ABOUT 300 REFUGEES  
FROM E LAOS START RETURN TODAY UNDER UNHCR AUSPICES,  
WITH INTERIOR MINISTRY COOPERATION; UN BUDGETED NEARLY  
HALF-MILLION DOLS TO RESETTLE 4000 THIS YEAR (AFP, NYT).

RTG ANNOUNCES ANY KHMERS, VIETS, LAOTIANS WHO ENTER  
COUNTRY WITHOUT PROPER DOCUMENTS WILL BE ARRESTED,  
DEPORTED. OFFICIALS SAY 100,000 INDOCHINESE REFUGEES  
NOW IN THAILAND WILL NOT BE EXPELLED (WP).

ABOUT 150 COMMUNIST GUERRILLAS ATTACK POLICE STATION  
IN SURAT THANI, FIGHT 2-HR BATTLE, RETREAT INTO FOREST  
(REUTER BANGKOK). CSM'S SOUTHERLAND IN NE THAILAND

FINDS NO EVIDENCE DRAMATIC INCREASE NVN SUPPORT FOR  
COMMUNIST-LED THAI INSURGENTS, ONLY USUAL INCREASE  
IN INCIDENTS DURING DRY SEASON. QUOTES SOME OBSERVERS  
THAT MIL EXAGGERATE THREAT OF OUTSIDE SUPPORT TO GAIN  
SYMPATHY, AID, JUSTIFY BUDGET REQUESTS, KEEP PEOPLE ALERT,  
PLACE BLAME FOR DIFFICULTIES WITH INSURGENTS ON EXTERNAL  
SUPPORT RATHER THAN INTERNAL WEAKNESSES. FEAR ON PART  
MIL DUE COMMUNIST VICTORIES INDOCHINA, DEPARTURE  
US COMBAT FORCES. CONCLUDES "SO FAR, SO GOOD" IN  
CONTAINING INSURGENTS.

### 3. PHILIPPINES

MARCOS ANNOUNCES COMING MIL SHAKEUP, WARNS AGAINST THREATS  
FROM "RIGHTIST ZEALOTS" - FORMER POLITICIANS, RC  
CHURCH ELEMENTS (WP).

### 4. JAPAN

DIET CMTE ENDS TWO DAY HEARING ON LOCKHEED ALLEGATIONS  
(WSJ, SUN, WP, PHINQ, CHITRIB, WSTAR 2/17). FRUSTRATED  
IN QUEST LEARN WHO GOT MONEY KOTCHIAN TESTIFIED LOCKHEED  
CHANNELED TO GOVT, BUSINESS LEADERS THROUGH INFLUENCE  
PEDDLERS (CHITRIB). INCREDULOUS, OFTEN SARCASTIC CMTE  
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MEMBERS HEARD EIGHT WITNESSES RECITE LITANY OF DENIALS  
(AP, PHINQ).

SUN'S SEIDEN NOTES MARUBENI TOP EXECS ADMITTED SIGNING  
LOCKHEED RECEIPTS FOR "PEANUTS, UNITS, PIECES," BUT  
DENIED RECOMMENDED, RECEIVED, CHANELED ALLEGED TWO-  
MILLION-DOL BRIBES FOR GOVT OFFICIALS. DENIED ANY  
CONTACT WITH KODAMA. OKUBO SAID MARUBENI "DETERMINED"  
SUE LOCKHEED FOR LIBEL IN CHURCH CMTE TESTIMONY.  
HEARINGS TELEVISED NATIONWIDE, FAILED ANSWER BIG QUESTION  
HEADLINED IN ONE JAPANESE PAPER -- "WHO ATE THE  
PEANUTS?" (SUN CARRIES UPI PHOTOS OF DIET HEARING,  
PROTEST AGAINST SCANDAL BY 10,000 DEMONSTRATORS IN  
TOKYO'S HIBYA PARK).

SAAR (WP) SAYS FEW OBSERVERS SURPRISED DIET QUIZ ENDED  
INCONCLUSIVELY, AS "HURRIEDLY ARRANGED" INTERROGATION  
DID NOTHING CORROBORATE. REFUTE KOTCHIAN TESTIMONY.  
BELIEVES FAILURE RESOLVE MAJOR POLITICAL CRISIS WILL  
LEAD TO "INTENSIVE PRESSURE" FOR US SENATE DISCLOSE NAMES  
GOJ OFFICIALS WHO ALLEGEDLY TOOK BRIBES.

HIYAMA MADE PUBLIC KOTCHIAN LETTER, APOLOGIZING FOR SENATE TESTIMONY THAT EMBARRASSED MARUBENI, WHICH ONLY ASSISTING, HELPING "OUR CAUSE" (WSTAR 2/17).

OKUBO, ITOH RESIGNED POSTS, BUT MARUBENI SAID WOULD RETAIN IN ADVISOR CAPACITY (REUTER, TOKYO).

I-D CORP EXEC SHIG KATAYAMA TOLD LA PRESS PROVIDED SIGNED RECEIPTS FOR AMOUNTS AND DATES LOCKHEED REQUESTED, ALSO BLANK CHECKS "FOR LOCKHEED'S INTERNAL ACCOUNTING USE IN SWITZERLAND." DENIED MADE PAYOFFS FOR FIRM IN JAPAN (AP, WSTAR 2/17). KATAYAMA SOLE EMPLOYEE, STOCKHOLDER OF CAYMAN ISLAND-BASED FIRM (JAMESON, LAT 2/17). SAID ANOTHER COMPANY OF HIS, UNITED STEEL, TOKYO, NOT CONNECTED LOCKHEED (UPI, LAT 2/17).

JAMESON (LAT 2/17) REPORTS OSANO ADMITTED IN DIET MONDAY PROMISED KOTCHIAN 'DISCUSS- TRISTAR PURCHASE WITH ANA UNCLASSIFIED

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EXECS; ALSO CLAIMED NEVER DID SO. CONTRADICTS EARLIER DENIAL EVER MET KOTCHIAN. NOTES DIET INTERROGATORS PRODUCED EVIDENCE OF SERIES "COINCIDENCES; RELATING INTRODUCTION WIDE-00DIED JETLINERS JAPAN, THAT APPEARED BENEFIT LOCKHEED; ALSO PRODUCED DOUGLAS PRODUCTION SCHEDULE, DATED SEPT 1971, SHOWING TWO DC-10S "RESERVED" FOR ANA.

IN HOUSTON, TWO EMPLOYEE SHAREHOLDERS FILE CLASS-ACTION SUIT RECOVER 22 MILLION DOLS PAID IN BRIBES, PLUS 22 MILLION DOLS PUNITIVE DAMAGES, FROM LOCKHEED AND I-D CORP.

ARREST WARRANTS ISSUED FOR TWO ITALIANS ALLEGEDLY INVOLVED ILLEGAL LOCKHEED PAYOFFS; BOTH BELIEVED FLED COUNTRY (WSJ; AP, PHINQ).

ROSENBLATT (LAT 2/15) NOTES KOTCHIAN MADE 10 SALES TRIPS JAPAN, ONCE SPENT 11 WEEKS WITH KODAMA, PLANNING SALES STRATEGY.

SPOKESMAN FRIDAY CONFIRMED CHURCH CMTE GOT CABLE FROM RIGHT-WING JAPANESE GROUP THREATENING ACTION AGAINST US IF LOCKHEED PROBE NOT HALTED (REUTER, LAT 2/14).

JAMESON (LAT 2/15) CITES MINDEF SAKATA STATEMENT SATURDAY, THAT JAPAN "WOULD BE FORCED" EXCLUDE P-3-C FROM CONSIDERATION AS NEXT ASW PLANE, IF PROOF FOUND JDA OFFICIALS ACCEPTED BRIBES. STATEMENT FOLLOWED CHURCH CMTE RELEASE OF NEW DATA FRIDAY, INCLUDING LOCKHEED

CONTRACT PAY KODAMA 8.3 MILLION DOLS, IF GOJ BUYS  
50 OR MORE P-3-CS, AT ABOUT 20 MILLION DOLS EACH.

LEAKED PORTION OF HOUSE INTELLIGENCE CMTE FINAL REPORT  
SAYS US SSN'S COLLIDED WITH NINE 'HOSTILE VESSELS' IN  
PAST 10 YEARS, INCLUDING PINTADO WITH SOV SSN OFF  
PETROAVLOSK, MAY 1974 (UPI, LAT 2/16).

MIYAZAWA SAID TUESDAY PRC POLITICAL STRUGGLE MAY FURTHER  
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DELAY LONG-PENDING JAPAN-CHINA PEACE TREATY (AFP, WP).

#### 5. JAPAN/KOREA

AMONG DOCUMENTS CHURCH CMTE RELEASED FRIDAY IS  
LOCKHEED CONTRACT PAY KODAMA 4.7 MILLION DOLS, ON  
CONDITION COULD PERSUADE KAL BUY OR LEASE 16 OR MORE  
TRISTARS (JAMESON, LAT 2/15).

CULLISON (JOC) NOTES MOT SOURCE SAID TUESDAY JAPAN  
INTENDS "SHORTLY" INFORM INTERGOVTAL MARITIME  
CONSULTATIVE ORGAN THAT SEGREGATED BALLAST TANK SYSTEM  
ON EXISTING TANKERS SHOULD BE MADE COMPULSORY, UNDER  
INTL TREATY.

GOJ SAID TUESDAY HAS NO INTENTION BAN RED DYE NO. 2,  
BECAUSE PROOF LACKING CAUSES CANCER (WP).

JOC (AMSTERDAM ) TELLS HOW JAPANESE FIRMS DISCOVERING  
HOLLAND EXCELLENT BASE TO PURSUE EUR, ME BUSINESS  
OPPORTUNITIES.

REUTERS (NY) INTERVIEWS NOMURA SECURITIES' JAMES HARTKE  
ABOUT IMPROVED PROSPECTS FOR HITACHI ELECTRIC, OFTEN  
CALLED "GE OF JAPAN" (CHITRIB).

#### 6. AUSTRALIA

GOA WILL BUY TWO 3500-TON GUIDED MISSILE FRIGATES FROM  
US. VESSELS STILL UNDER DEVELOPMENT 0Y USN (REUTER  
CANBERRA). WORK EXPECTED START THIS YEAR ON HUGE NICKEL  
PROJECT IN W AUSTRALIA (AP, WSJ).

#### 7. -NDONE"IA

LAT'S MCARTHUR (2/17) AT JAKARTA REPORTS WESTERN  
BUSINESSMEN FIND CITY NO. 1 IN GRAFT, CORRUPTION.  
BELIEVES POTENTIALLY RICH COUNTRY CANNOT SUPPORT MUCH  
LONGER TWIN EXPLOSIONS OF POPULATION, GREED THAT FORM

DOMINANT FACTORS IN EVERYDAY LIFE. SAYS MIL RULERS  
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LESS FEARFUL ORGANIZED OPPOSITION THAN OF SOME  
"SPONTANEOUS CONFLAGRATION" THAT UNITES POP'LATION  
IN ORGY OF FRUSTRATION.

8. GENERAL

REP ASPIN SAYS DOD SCRAPS 101 JETS ENGINES, THOUGH GE  
OFFERS BUY BACK FOR 4000 DOLS EACH. ENGINES GIVEN  
ORIGINALLY TO THAILAND, TAIWAN AS AID, ORDERED JUNKED  
UNDER DOD POLICY SCRAP EXCESS MIL EQUIPMENT SENT AS AID  
TO KEEP FROM FALLING INTO WRONG HANDS. FORTY ENGINES  
ALREADY SOLD THAI CONTRACTOR AS SCRAP FOR 166 DOLS EACH;  
SCRAPPING 61 ENGINES IN TAIWAN HELD UP (AP, WSTAR 2/17).

COMMENT AND ANALYSIS

9. CHINA

CHITRIB SAYS CHINA REMAINS MYSTERY WHICH IS POTENTIALLY  
DANGEROUS. WONDERS WHY IS IF MAO OPPOSED TENG HE  
WAS PERMITTED TO MEET WITH FORD. SETS FORTH MANY  
QUESTIONS, ALL UNANSWERED, ABOUT RECENT EVENTS IN CHINA.  
ABOVE ALL, QUESTIONS HOW FOREIGN CONFIDENCE IN PRC CAN  
BE MAINTAINED IN FACE OF SECRETIVENESS. CONCLUDES  
ALL WE CAN DO IS HOPE FOR THE BEST, BUT BE PREPARED  
FOR SOMETHING CONSIDERABLY WORSE.

LAT'S ELEGANT, IN HK (2/16), SEES CHOU'S LEGACY OF MODERATE  
POLICIES, RELATIVELY STABLE POLITICAL STRUCTURE, GRAVELY  
IMPERILED BY CURRENT SURGE OF LEFTIST ATTACKS. SAYS  
QUESTION IS WHETHER HUA KUO-FENG CAN PREVENT VICIOUS  
DEBATES BEING TRANSFORMED INTO OPEN VIOLENCE. FEELS  
DETERMINING FACTOR UNDOUBTEDLY WILL BE ATTITUDE OF PLA  
LEADERS. ELEGANT SUGGESTS SIGNIFICANT CAUSE FOR CURRENT  
DISQUIETING SITUATION IS FACT US NO LONGER SEEMS, TO  
CHINESE, POWERFUL WORLD FORCE IT DID YEAR AGO. RECALLS  
TENG HSIAO-PING "VIRTUALLY PLEADED" WITH BOTH FORD,  
HAK DURING THEIR RECENT PEKING VISIT TO ADOPT STRONGER  
STANCE AGAINST SOVIET. NOW APPEARS TENG, IN PART, WAS  
FIGHTING FOR OWN POLITICAL LIFE. CHOU'S SUCCESSES IN  
INTERNATIONAL POLITICS ONE OF MAIN SOURCES OF HIS INTERNAL  
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STRENGTH -- AND THOSE SUCCESSES BASED IN GOOD PART ON US  
CONNECTION. SAYS FORTHCOMING NIXON VISIT ON MAO'S "PERSONAL  
INVITATION" DEMONSTRATED POWERFUL GROUP WITHIN PRC WANTS  
MAINTAIN, STRENGTHEN US CONNECTION; MOVEOVER, ALL CHINESE

FACTIONS STILL DENOUNCE SOVIET. HOWEVER, CURRENT ATTACK  
ON CHOU'S POLICIES COVERS WIDE FRONT, AND FOREIGN POLICY

COULD BE SERIOUSLY AFFECTED IF RADICALS TRIUMPH.

PHILA BULLETIN (2/11) CALLS NIXON VISIT CLEARLY EMBARRASS-  
ING TO USG. SAYS NIXON INFLICTED TOO MUCH  
DAMAGE TO US AND WOULD BETTER SERVE HIS COUNTRY BY  
NOT GOING TO CHINA.

TERHORST IN LAT (2/17) RECAPS FORD'S PUBLIC STATEMENTS  
ABOUT NIXON VISIT AND SEES NIXON'S SECRET DEAL WITH CHINESE  
AT EXPENSE OF ADMINISTRATION. NIXON EGO REMAINS INTACT.  
CHINESE EQUALLY DEVIOUS, AND DID NOT WANT ANY INTERFERENCE  
FROM FORD OR HAK. VISIT WILL BE USED BY MAO FOR DOMESTIC  
POLITICAL PURPOSES AND REMIND FORD OF INADEQUACY OF PRESENT  
RELATIONSHIP. NIXON CAN MAKE AMENDS BY CANCELLING TRIP.

BUCKLEY IN BALT. HA (2/17) SAYS NIXON, MOST VOCAL DEFENDER  
OF EXECUTIVE PEROGATIVE, NOW UNDERCUTTING FORD BY GOING  
TO CHINA. BEING RECEIVED BY THE CHINESE AS A LEADER  
IN OPPOSITION. "HE HAS LESS INFLUENCE ON THE REPUBLICAN  
PARTY THAN DOES HOWARD COSELL". NIXON CAN ONLY OFFER  
THE CHINESE SYCOPHANCY.

PROF. RICHARD BAUM IN LAT (2/15) RECOUNTS SPATE OF  
SPECULATION ABOUT MEANING OF HUA APPOINTMENT. NOTES  
THAT ALL OF THESE BASED ON PREMISE THAT TENG DOES NOT  
HAVE POLITBURO AND NATIONAL SUPPORT. MOST PUZZLING  
IS ROLE OF MAO. ALSO PUZZLING ARE INVITATION TO NIXON,  
APPEARANCE NOW OF TEN-YEAR-OLD MAO POETRY, RETURN OF  
SOVIET HELICOPTER CREW, AND EDUCATIONAL DEBATE. IRONIC  
THAT NEXT CHANCE TO GAIN SOME INSIGHTS INTO WHAT IS  
HAPPENING IN CHINA COMES WITH NIXON VISIT. BUT UNLIKELY  
THAT MAO WILL WASH CHINA'S DIRTY LINEN IN PUBLIC DURING  
NIXON VISIT. CONCLUDES THAT MEETING BETWEEN AGED  
CHAIRMEN AND DEPOSED PRESIDENT "WILL BE FASCINATING  
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TO WATCH".

MARLENE CIMONS IN LAT (2/14) REPORTS DAVID AND JULIE  
SAYING TENG TOLD THEM WATERGATE INSIGNIFICANT. EISENHOWERS  
SAY THEY BROUGHT BACK NO MESSAGE FOR NIXON. DENY TRYING  
TO UNDERMINE ADMINISTRATION. SAYS VISIT WILL SYMBOLISE  
CONTINUING ADHERANCE TO MAINTAINING TIES WITH U.S. "NEW  
HAMPSHIRE IS PROBABLY MEANINGLESS TO THE CHINESE", -R  
EISENHOWERS SAY.

STRAUSS IN JOC SAYS POWER STRUGGLE IN CENTERS ABOUT  
ECONOMICS ISSUES, ALTHOUGH ON SURFACE EDUCATION DEBATE  
APPEARS SIGNIFICANT. SAYS IT NO COINCIDENCE THAT LIU

SHAO CHI AND LIN PIAO FELL IN THE FIRST YEAR OF THIRD AND FOURTH FIVE-YEAR PLANS, AND THIS FIRST YEAR OF THE FIFTH. DESCRIBES PEOPLE'S DAILY ATTACK ON RIGHT WING DEVIATIONISTS, AND RADIO ATTACKS ON CAPITALIST ROADERS. LITTLE SAID YET ABOUT NEW FIVE-YEAR PLAN IN CONTRAST TO PREDECESSORS.

ISAACS IN BALTIMORE REPORTS SHANGHAI BROADCASTS IN WHICH MAO IS SAID TO HAVE PERSONALLY LAUNCHED ATTACKS ON CAPITALIST ROADERS. NOTES TENG IS PROBABLE TARGET AND HAS BEEN ABSENT FROM PUBLIC VIEW SINCE CHOU'S DEATH. REPORTS OTHER PROVINCIAL BROADCASTS PICKING UP SAME THEME. SAYS KEY TO EVENTS CAN BE FOUND IN NEW MAO SLOGAN "STABILITY AND UNITY DO NOT MEAN WRITING OFF THE CLASS STRUGGLE".

NYT'S BURNS SAYS PRETENSE PERSISTS AMONG PRC OFFICIALS THAT PERSONAL SIDE OF POLITICS WESTERNERS FIND SO INTRIGUING IS ABSOLUTELY NOT MATTER OF SPECULATION AMONG CHINESE THEMSELVES. SAYS ANY FOREIGNER WHO HAS LIVED THERE MUST SUSPECT THIS IS NOT YIZHE SHUO--TELLING IT STRAIGHT. ALTHOUGH OBLIGED DISGUISE IT, MANY ORDINARY CHINESE ARE ACUTELY INTERESTED IN "WHO'S WHO" IN PEKING. SAYS THESE DAYS PEKING TENDS IGNORE BUSIEST OF "RUMOR FACTORIES" -- SMALL GROUP FOREIGN CORRESPONDENTS PERMITTED LIVE IN CAPITAL. WITHIN UNSTATED LIMITS, CHINESE NOW TOLERATE SPECULATIVE REPORTING THAT, ONLY FEW YEARS AGO, WOULD HAVE MET WITH "SERIOUS WARNING" (2/15).  
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#### 10. KOREA

NYT (2/15) SAYS FOR FIRST TIME FRANCE HAS COOPERATED WITH USG IN HALTING SPREAD OF NUCLEAR WEAPONS BY TACITLY ACQUIESCING IN US OPPOSITION TO SKOREA'S PURCHASE OF REPROCESSING PLANT. CANCELLATION OF PURCHASE IS ACKNOWLEDGEMENT THAT SUCH DEALS CARRY AN UNACCEPTABLE RISK EVEN THOUGH NPT AND OTHER SAFEGUARDS HAD BEEN SUPPORTED BY ROKG. URGES EVERY EFFORT TOWARD INTERNATIONALIZATION OF NUCLEAR FUEL PRODUCTION.

NYT (2/15) CARRIES FULL PAGE AD BY UNIFICATION CHURCH 8S INCLUDING LETTERS FROM FRIENDS AND PARENTS CALLING FOR RESPECT OF RELIGIOUS FREEDOM AND HANDS OFF MOON.

#### 11. INDOCHINA

ELSTON (DETROIT NEWS 2/8) CONSIDERS MIL DEFEAT IN VN SECONDARY TO PSYCHOLOGICAL DEFEAT SUFFERED BY US PEOPLE, WITH CONFIDENCE IN COUNTRY AS WORLD LEADER SHAKEN. SEES 2 RESULTS APPARENT ALREADY: CONGRESS INCREASINGLY INVOLVED IN MAKING FOREIGN POLICY DECISIONS, ADMIN APPEARS



IMPOTENT TO MAKE MORE THAN PRO-FORMA OBJECTIONS TO  
USSR EXPANSION. NOTES EXPERTS FROM HARVARD, DUKE,  
USC MAKING SURVEY ON VN'S LIKELY EFFECT ON CONDUCT  
US FOREIGN POLICY.

MITGANG (NYT) REVIEWS WESTMORELAND'S, "A SOLDIER  
REPORTS," CALLS IT "FANTASYLAND" SUMMATION OF WAR.  
SAYS LOOKS UPON SEA WAR AS MIL RATHER THAN K POL  
CONFLICT, DOES NOT COMPREHEND DIFFERENCES BETWEEN  
AIMS, ATTITUDES TOWARD US OF PEOPLE IN WW II PALERMO  
AND PLEIKU.

12. AUSTRALIA

COSTIGAN (WP) REVIEWS LATEST IN SERIES PRO-US MOVES BY  
FRASER, NOTES MOVE AWAY FROM "QUASI-NEUTRALISM" OF FORMER  
LABOR GOVT. GIVES HISTORY PM'S OK OF US OMEGA NAVIGATION  
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STATION. SAYS FRASER ALSO MOVING AUSSIE FOREIGN POLICY  
AWAY FROM SIMILARITY WITH NONALIGNED BLOCK; SEES SWING  
AWAY FROM WHITLAM POSITION HIGHLIGHTED BY ATTITUDE  
TOWARD BIG-POWER INVOLVEMENT INDIAN OCEAN. LABOR  
GOVT OPPOSED US EXPANSION DIEGO GARCIA BASE, WANTED  
INDIAN OCEAN DECLARED NEUTRAL. FRASER CALLS NEUTRAL  
ZONE OBJECTIVES "REMOTE," SHARES PRES FORD'S VIEWS ON  
DIEGO GARCIA.

13. JAPAN

CDN (2/12) URGES MEANS BE FOUND PROHIBIT LOCKHEED-  
STYLE FOPOLICY MISDEEDS, IN INTEREST ALLIED GOVTS AND  
US. SUGGESTS WORTH CONSIDERING GUIDELINES FOR LEGITIMATE  
SALES COMMISSIONS, TO BE REPORTED OPENLY. RECOMMENDS  
DOS, DOD CONSULT ON NEW DISCLOSURE RULES UNDER STUDY  
BY SEC, WITH COMMITMENT SPEED CONCLUSIONS TO CONGRESS  
FOR NECESSARY ACTION.

PHILABULL (2/12) DECRIES "WHEN IN ROME" DEFENSE BY  
CORPORATE BRIBERS DOING BUSINESS ABROAD. SUCH CORRUPTION  
NOT ONLY HITS TAXPAYER, BUT MORE DAMAGING IS BLOW TO  
PEOPLE'S FAITH IN ONE OF NATION'S MOST POWERFUL,  
IMPORTANT INSTITUTIONS -- BUSINESS. SUPPORTS LEGISLATION  
UNDER STUDY IN SENATE, AT BEHEST OF PRES, THAT WOULD  
REQUIRE FIRMS SELLING ARMS ABROAD REPORT ANY BRIBES,  
KICKBACKS TO DOS, CONGRESS. MAY NOT BE BEST REMEDY,  
BUT SHOULD BE WELCOMED AS VALUABLE FIRST STEP BY  
MAJORITY US FIRMS THAT ABHOR GRAFT.

NYT (2/15) QUOTES REMARK SOME TIME AGO BY INDUSTRIALIST-  
TURNED-SENATOR PERCY -- "CORPORATE CORRUPTION IS THE

DRY ROT OF CAPITALISM." SEES EVIDENCE MOUNTING THAT CORRUPT PRACTISES HAVE BECOME "BUSINESS AS USUAL," ESPECIALLY OVERSEAS. LAUDS MANY CORPORATE LEADERS FOR EXPRESSING CONCERN ABOUT "DRY ROT" THAT PERCY CORRECTLY PERCEIVED AS CENTRAL THREAT TO FREE ENTERPRISE SYSTEM. NOTES CALLS FOR REFORM BY PRES, OTHERS, BUT DECLARES IF DRY ROT TO BE STOPPED BUSINESS COMMUNITY ITSELF MUST HAVE POWER -- AND SELF-INTEREST -- TO STOP IT.

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PROF JANSEN (PRINCETON) WRITES NYT (2/15) TO DEPLORE LOCKHEED PAYMENTS TO KODAMA, WHOM HE CLAIMS REPRESENTS EVERYTHING VICIOUS ABOUT JAPANESE LIFE IN 1930S, AND WHO USES WEALTH IN INTERSTICES BETWEEN POLITICS, UNDERWORLD, TO FURTHER CAREERS OF MEN LIKE FORMER PM KISHI, WELL AS SUB-ROSA CONNECTIONS WITH TAIWAN, KOREA. DIFFICULT TO IMAGINE HOW LOCKHEED COULD HAVE DONE MORE DAMAGE US-JAPAN RELATIONS -- EMBARRASSED AMEMBASSY HEADED BY FORMER LOCKHEED V-P; FRIENDLY GOVT HARD-PUT ANSWER TAUNTS OF INDIGNANT OPPOSITION; EA'S SOLE DEMOCRACY, PROUD PRODUCT DECADES US-JAPAN COOPERATION, STANDS WEAKENED, NOT BY LEFT, BUT BY LOCKHEED. AT VERY LEAST, URGES RE-EXAMINATION OF NEED SUBSIDIZE LOCKHEED WITH TAX DOLLARS.

LAT (2/16) NOTES GROWING DAMAGE DONE BY CORPORATE BRIBES ABROAD ALREADY HAS CAUSED POLITICAL TURMOIL IN HOLLAND, JAPAN, ITALY. DECLARES "BRIEFCASE FILLED WITH GREENBACKS" BESPEAKS "CORRUPTING INFLUENCE", WELL AS DESIRE DEDUCT COST FROM TAXES, WHICH BOTH INEXCUSABLE AND CRIMINAL. AS FIRST STEP BRING PAYMENTS UNDER CONTROL, URGES FIRMS DISCLOSE TOTAL AMOUNT (BUT NOT NAMES OF RECIPIENTS, OR INDIVIDUAL AMOUNTS) FOR REVIEW BY IRS. AS SECOND STEP CALLS FOR WB, OECD, OTHER INTL BODY SET INTL GUIDELINES, BE EMPOWERED MONITOR COMPLIANCE.

WATKINS (LAT 2/15) BELIEVES "TOO GLIB" EXPLAIN AWAY PAYOFFS AS ONLY WAY SELL PLANES, MISSILES ABROAD. CITES CHURCH CMTE STAFFER WHO FEELS AEROSPACE FIRMS "MAY HAVE BEEN HAD" BY "HUSTLERS" OVERSEAS. NOTES DOD HAS AUTHORIZED LEGITIMATE COMMISSIONS AS PART OVERSEAS SALES COSTS, BUT GUIDELINES "SO ABUSED" DISTINCTION BETWEEN COMMISSIONS, BRIBES BLURRED. WHATEVER OUTCOME OF PRESENT PROBES, CONCLUDES US AEROSPACE FIRMS MAY EXPECT QUALITY OF THEIR PRODUCTS CONTINUE STAND THEM IN GOOD STEAD.

14. GENERAL

BEECHER (GLOBE 2/15) LOOKS OVER DEM CANDIDATES' FOREIGN

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POLICY VIEWS. NOTES ALL FAVOR IN SOME DEGREE RAPPROCHEMENT  
POLICY WITH PRC, WITH ONLY WALLACE, CARTER CLEARLY OPPOSING  
WITHDRAWAL DIP RECOGNITION FROM TAIWAN; AND JACKSON,  
SHRIVER, BAYH, HARRIS, UDALL CALLING FOR FORMAL  
RECOGNITION PEKING. MOST CANDIDATES WOULD GRADUALLY  
PHASE OUT GIS IN SK, WITH UDALL, SHRIVER SPEAKING OF  
PULLING OUT TACTICAL NUKES; WALLACE SAYS US RESPONSE TO  
NK ATTACK WOULD DEPEND ON CIRCUMSTANCES. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 15 SEP 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS  
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**Copy:** SINGLE  
**Draft Date:** 18 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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NAHA  
MOSCOW INFO CINCPAC HONOLULU  
COGARD  
GOVGUAM  
TREASURY

XMT RANGOON

**Type:** TE

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